



Financial Reporting Council

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PRESS NOTICE

FRC PUBLISHES AN UPDATE ON GOING CONCERN FOR DIRECTORS OF SMALLER COMPANIES

The FRC published today a short update to help directors of smaller companies with their thinking on assessing going concern.

Most small companies may opt out of an audit and/or file abbreviated accounts at Companies House. However, they are still required to produce a full set of financial statements, for which they may use the Financial Reporting Standard for Smaller Entities (FRSSE). The FRSSE requires them to assess whether the use of the going concern basis of accounting is appropriate and to make disclosures of any material uncertainties. Whilst the full financial statements are not required to be filed, they may be given to customers, banks and others to allow business to continue.

Ian Wright, Director of Corporate Reporting at the FRC said:

“We published an update on going concern for directors of listed companies in November last year to help them prepare for their forthcoming year ends. This latest publication is designed for the smaller companies. It is very practical in its approach. We consulted with a wide range of small business and accounting organisations in producing this update. We hope that directors of smaller companies will find it useful as they prepare accounts during this year.”

The FRC is asking the small business sections of the professional accountancy organisations and the smaller business associations to help by passing on the update to the many smaller businesses in the UK that are facing difficult economic conditions.

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Notes to Editors:

1. The Financial Reporting Council (FRC) is the UK's independent regulator responsible for promoting confidence in corporate reporting and governance.
2. The FRC's functions are exercised principally by its operating bodies (the Accounting Standards Board, the Auditing Practices Board, the Board for Actuarial Standards, the Financial Reporting Review Panel, the Professional Oversight Board and the Accountancy and Actuarial Discipline Board) and by the Board. The Committee on Corporate Governance assists the Board in its work on corporate governance.
3. Press enquires should be directed to Jon Hooper, telephone 020 7492 2344, email j.hooper@frc.org.uk.